

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
(Called by the Mayor)**

June 3, 2002

5:30 PM

Mayor Baines called the meeting to order.

Mayor Baines called for the Pledge of Allegiance, this function being led by Alderman Smith.

A moment of silent prayer was observed.

The Clerk called the roll. There were fourteen Aldermen present.

Present: Aldermen Wihby, Gatsas, Guinta, Sysyn, Osborne, Pinard,
O'Neil, Lopez, Shea, DeVries, Garrity, Smith, Thibault, Forest

Mayor Baines advised that the purpose of the special meeting was a discussion regarding baseball and requested Mr. Jabjiniak to address the Board.

Mr. Jabjiniak noted copies of the Development Option Agreement, had been forwarded to the Aldermen on Friday. He stated in early March of this year, this group was given an exclusive to investigate the feasibility of bringing in a new stadium to Manchester along with affiliated baseball. Tonight, they are at the next step where they have asked for an Option Agreement to work on financing, investigate the site and finalize their team commitment. I also want to stress that this is a non-binding agreement where the City is not committed to future development. Back in 1999, some of you may remember, the City blessed the Riverwalk Development Plan and that plan shows a ballpark located next to Singer Family Park. The plan also shows some other changes including a new site for an intermodel transportation which could be another possibility for parking...we're not really here to address that, but it is part of the same complex, if you will. I guess I want to go ahead and turn this over to the development team and they can deal with some questions on the

Development Option Agreement and give a little more insight as to what's going on. Really, they're looking for sixty (60) days to take it to the next level and finalize some of their plans so they can move forward. Most of you have met Drew Weber who is the owner of the Red Sox affiliate known as the Lowell Spinners, Chris Kelly is the developer of the site. Chris has a tremendous amount of experience, he is what I call Wang Tower fame, former banker, he was responsible for the renovation of the Wang Towers in Lowell and did a great job of turning those around and really worked quite a bit with the City of Lowell and I think his experience here is going to be very useful. Nick Lazos is the attorney for the developer. Nick will be speaking to some of the issues as well and I guess one of the other important people here...the hotel partners in this are Fred and David Roedel and I know David's here and David I believe you're a local resident if I understand correctly. And, for people who don't know the Roedel Partners is a real estate investment company engaged in the business of financing, constructing and operating real estate properties with an emphasis on hospitality. So, with that I am going to ask Chris and Nick to come up and get into some detail here.

Mr. Kelly stated thank you, Mr. Mayor and Aldermen, as Bill mentioned my name is Chris Kelly, I'm here before you today to discuss the granting of a 60-day non-binding option to pursue further due diligence with respect to the site in question with the intent of embarking on a development program that would include the development of the site, the infrastructure to accommodate a AA baseball stadium as well as a hotel that the Roedel Partners Group would be working with us on. At this stage, it's quite preliminary...the 60-day period would be used to embark a number of due diligence items with respect to the site, there are environmental issues that need to be addressed, there are site infrastructure issues that need to be addressed, parking issues that need to be addressed. It's a complex site and a lot of due diligence has to be undertaken quite quickly in order to fully understand how the site will work for the uses that we propose. I'm here to answer any questions that you may have...just as further background Drew Weber and I know one another from the City of Lowell, we've seen the City of Lowell use sports as a destination concept for driving economic development, it's worked very well there with the Tsongas Arena as well as with the Lowell Spinners' Stadium, the Lasher Park and Drew has run a terrific operation up

there...he would be a credit to any baseball franchise in addition to the Lowell Spinners and Drew approached me about working with him on the development of the site knowing of the work that I've done in Lowell and elsewhere and we're not...I heard us introduced as the Lowell team, I don't reside in Lowell, but I know that Drew does, but we do know one another from that area and we've seen the formula for success that Lowell has embarked upon to enhance its reputation as a destination location for tourism and other economic development, so if there are any specific questions that I can embark upon I'd be happy to do it.

Alderman Wihby asked does the team have any options already for bringing a team here?

Attorney Lazos stated there's a discussion that's underway, if you're looking for specifics on where that discussions stands I'd prefer to defer to Drew Weber on that.

Mr. Weber stated we've had discussions with the AA affiliate, we have not finalized it, but we're very, very close.

Alderman Wihby asked is there anything in writing that you've done this or from them?

Mr. Weber stated that we've had discussions...is it in writing...

Alderman Wihby asked is there anything going back and forth in writing other than discussions that we should feel any closer.

Mr. Weber stated there's an offer that they are in possession of right now that the managing partner is taking to his partners...to the general partners...as we speak.

Alderman Wihby stated did I understand once when you came in front of us that you said that no matter what we did that your team had the right to exclude someone else...or they had to get your permission before they came here, did you say something about that? Before you brought a team here that because of the distance from Lowell that you had to give the permission or something.

Mr. Weber replied no, I never said that.

Alderman Wihby asked so can anybody come to us with an agreement for a team, for bring the Red Sox (for instance) affiliate and we could take that offer or do you stand in that way anyway.

Mr. Weber replied as long as the Red Sox okay it.

Alderman Wihby stated as long as the Red Sox okayed anybody else coming...there was nothing about a distance or something that was discussed.

Mayor Baines stated I think there was some discussion about the control of the territory because of the proximity.

Mr. Weber stated the territory is controlled by the Boston Red Sox, by the Pawtucket Red Sox and by the International League. We have had discussions with all three, they know we're looking at it and they're all fine with it. That does not mean that anybody has granted us an okay.

Mayor Baines stated I think Alderman Wihby's question was if XYZ team wanted to locate, do you have any authority as a member of...with the franchise to veto another team from coming here, that was his question.

Mr. Weber replied no.

Alderman Lopez asked what has been done in the last 90 days other than showing us a diagram...can somebody bring me up-to-date as to...we have the Riverfront Park Foundation down there, we have Reubenstein Parking Lot, where Park & Ride is going to be and all that, so Bill, what's the scoop here. What are we doing in that area?

Mr. Jabjiniak replied I think the group has met with the Riverfront Park Foundation and Peter Ramsey is here to speak on what they've voted to do and certainly you can direct any specific questions to him. They've investigated the ability to go out and secure a franchise. They've looked at the site, determined if it fits...what other issues does it create including the Park & Ride, what do we do with Singer Family Park...their preference is to leave it right where it's at and I think that's a big plus, but all of it doesn't fit on the same site. So, they're looking at options around the Park & Ride...there's been discussions, I think the

Mayor had with some State officials, Bob MacKenzie has looked at some different alternatives to the Park & Ride...we certainly need a Park & Ride, don't want to chase that away, it's an important piece for development Downtown, so there's been a lot of little things going on over the last 90 days...most importantly, the ability to what's out there for franchises, can we move them, what's it cost and that investigative work.

Alderman Lopez asked when do you estimate that we get all of these pieces of the puzzle to make an intelligent decision and before that the Foundation...Peter Ramsey wants to talk about the Foundation which is leased down there from the City on a financial aspect, we've got to know what's going on. We're asking for 60 days to do things, but we had 90 days to do things and the question I have is also for Jay Taylor about the drilling down there. We dig it up, we own it...he testified here, it's \$5 million if we're going to clean it up down there. So, who's going to do that? So, those are three questions and you can answer any one of them.

Mr. Jabjiniak stated I'm going to defer the Jay question to Jay but again I think they've taken the 90 days to go out and investigate what's the feasibility of bringing a team here, do the numbers work, what's the realistic possibility of making that happen and I think they've done that. The next 60 days are to be used to formulate a Letter of Intent, investigate the site, what financing options are available, let's lay that out similar to what we've done up the street...we're going to start to follow that same process now of giving them the 60 days, pull their act together and go to a Letter of Intent is the next step.

Alderman Lopez stated Peter Ramsey, if I may, your Honor.

Mr. Ramsey stated my name for the record is Peter Ramsey, I am now on the Board of Directors of the Riverfront Park Foundation and originally back in 1997 I was one of the founders of the Park Foundation and I went on the Board a couple of years ago. The Board Foundation has voted officially to cooperate with the City and the City staff and you folks to try and come up with a solution to this. There are still a lot of work to be done. I might say that Ray Wieczorek appointed me back in 1998 as the head of the Riverfront Development Team for the City and about seven of the City staff and I met on a monthly basis for about two years and the Riverfront plan that was presented to the Aldermen...the last Board, I

believe it was, back in 1999 voted to accept that plan and in the plan there is a baseball park along with an intermodel station which is right next to Bee Bee Shoe and that study was done with LDR over a period of about a year and it took a lot of time and I was not paid for that, I was a volunteer...if you'd ask my wife she'd ask you why I was a volunteer, but it was a good experience and there are still a lot of questions to be answered and I think that is why we need 60 days to figure this out.

Mayor Baines asked are there any further questions for Mr. Ramsey.

Alderman O'Neil asked, Peter, has your Board voted on this?

Mr. Ramsey replied yes.

Alderman O'Neil asked what was the vote?

Mr. Ramsey replied seven to nothing.

Alderman O'Neil asked to?

Mr. Ramsey replied to fully cooperate with the City of Manchester, the Aldermen and the Mayor and staff to fully investigate and try to make a baseball team and a baseball park happen on the north side of Singer Park. The only other thing I might say for the record, Mr. Mayor, is that I personally had met with six baseball owners over the past four years. I met three times with Ray Wieczorek and I think I met with you a couple of times with different owners...this is the first time in three years that there have been gentlemen sitting in this seat asking us to work with them to investigate whether it makes sense and as far as I know this does not bind you folks or the City to anything, it binds them to do a lot of work and spend a lot of money. In 60 days, it may not make any sense.

Alderman Wihby stated I just wanted to get back to the question. Your Board voted to cooperate to having a team there, but did they specifically say to cooperate with these people or just that it's a good idea to have a team there and we should cooperate with the City?

Mr. Ramsey replied to answer your question directly, I believe it was to fully cooperate with the City. At the time that we voted on this the letter we had was from the Lowell Spinners. I had been approached by other organizations and as far as I know and I guess you'd have to

ask your City attorney if another group wanted to come forward tomorrow and put \$25 million on the table and pay for a stadium and bring a professional team to the stadium and you thought it was okay, I don't think, I think you could do it.

Alderman Wihby stated I think that's my concern, Pete, is that true, can we do it if we sign this, if someone came forward next week?

City Solicitor Clark replied if you sign this you're giving the City's word that you'll deal strictly with these people for 60 days.

Alderman Wihby stated so the answer is no.

City Solicitor Clark replied correct, not within the 60 days.

Alderman Wihby stated I guess that's my concern, Pete. I know you've been talking to a lot of people and the site for a long time, I guess my concern is tying it up for another 60 days since we haven't got anything in writing already in the last 90...has it been 90 since you last came...

Mr. Kelly replied yes 90 days.

Alderman Wihby stated so we don't have anything in writing yet that there is any official talk back and forth, my concern would be to keep extending this two months, two months, two months without getting something formal from the Red Sox or whoever that says we're talking to somebody and we're having some good talks and we're moving forward rather than delaying it and tying it up and having to have someone wait.

Mayor Baines asked why don't we ask some of the development team to respond to that comment.

Mr. Ramsey stated that's fine and I would agree with you but before I would do that I would say that I had that same concern and the response from them and I think they would tell you this...is that they now need to spend a lot of money to move forward and without site control for 60 days any developer would be nuts to spend a lot of money...

Alderman Wihby stated I guess my concern is in the next 60 days, my concern is after the 60 days if we've got another 60 days and another 60 days and we don't have anything in writing that they're formally working with somebody or something formally signed from a team.

Mr. Ramsey stated I think the response in 60 days would be to move on.

Mr. Kelly stated if I can add to that. If at the end of 60 days having spent development dollars to research the site and do your due diligence there is an increased incentive to want to bring something to the City for agreement because you in effect are exposed because it is a non-binding agreement. To the extent that after the end of 60 days you decide to go in another direction that's exposure on the development side.

Alderman Wihby stated if you're telling us you're speaking to an affiliated team or you're trying to get the options of bringing one here and that's fine, I believe you. I guess my concern is that in 60 days you come to us and say we're still talking and still negotiating and I was you again is it in writing and you tell me no, no we're still talking. I guess I would like to see something in 60 days saying you're working with somebody forward and something's being accomplished.

Mr. Kelly stated we would certainly like to do the same thing. The reality is that we have no control over what the other side does with respect to their response to our offer and we would expect that within the time frame we placed on the offer that we do get a response within that time period and have something to show you and if we don't have something to show you we'll come back and tell you why. And, then the City is free to go into another direction. I think all we can do is tell you what we have at that point in time and hopefully we'll have a response...I think we put a very credible offer on the table and the signals we're getting back from the party that's interested in selling had been that it is a credible offer and it's just a question of them checking with their other partners in the deal to make sure that it's checked off on around the board.

Mayor Baines called upon Alderman Garrity.

Alderman Garrity stated I want to clear something up that was in the paper. Mayor, you stated that no tax dollars would be used for this project and there was probably some mixed

signals coming from Bill Jabjiniak in the paper, my first question is is there any possibility of bond funding, at all, from the City?

Mr. Jabjiniak replied I think that's one of the options that they're going to look at. They're going to look at some other options as well, but that's why I left it open. I think the Mayor's intent and please correct me if I'm wrong is to not have any tax impact on the taxpayer, obviously, and I do expect to look at the bonding option as one possibility.

Alderman Garrity stated a question for Kevin. Kevin, if we were to extend bonds to this project would that have an impact on our bond capacity, what type of bonds would we be using.

Mr. Clougherty replied it all depends exactly as you said, Alderman, exactly what types of bonds. It's a possibility and again I haven't had a chance to talk to their underwriting people, but it could be something that was handled through the Housing Authority, it could be something that could come through the City, it could be revenue bonds, it could be tax exempt, it could be a whole array of different things that they'd bring forward and that the City would have to consider at that time.

Alderman Garrity asked how about General Obligation bonds, is that a possibility?

Mr. Clougherty replied it could be, but it may also be that because you're putting up the credit of the City you're also going to get new valuation to offset against that too.

Alderman Garrity asked if we were to use General Obligation bonds would that have an effect on our bonding capacity for projects like the Mayor's school proposals and things of that nature?

Mr. Clougherty replied it could and I think that's what I think the Mayor was saying was that unless it can be handled in a way that would not impact those areas he would not be supporting it. Not to speak for you, Mayor, but that was my understanding.

Mayor Baines stated that's exactly it and that's what we're going to find out in 60 days.

Alderman Garrity stated I would just like to let the developers know that I would be opposed to using General Obligation bonds for this project.

Alderman Shea stated Alderman Garrity took most of the questions from my thinking processes as well. I was markedly struck by what was in the paper in the last type of presentation by Bill. My point is putting you people on the spot...are you expecting, after your 60-day feasibility study for the City of Manchester in any shape, manner or form to support your project or is this going to be an independent project funded essentially by your resources either the ballpark, the hotel or the other phases that will be going into this, can you answer that, would you want to answer it?

Mr. Kelly replied I'd like to answer it to the extent I can, it's really too early for me to address any of it. We've done no property due diligence whatsoever with respect to any of the environmental soils conditions, structural issues associated with the property, we've got a number of different development parcels that are coming together. You've got a stadium that's going to be owned by the City going forward, you're going to have hotel component that's going to be owned by the hotel development entity, the Roedel Partners Group, so there are a number of facets that have to come together and with respect to the financing structure, I can't tell you today how that's going to happen. I won't tell you that we won't be coming back to the City, I won't foreclose any option at this point until we really know what we're talking about.

Alderman Shea asked in other similar projects that you've been involved with have you depended upon say the City of Lowell to come up with bonding monies?

Mr. Kelly replied no, not bonding money. Our situation in Lowell was driven more by economic development. We had a TIF approved for the redevelopment of the Wang Towers into CrossPoint which involved setting the tax rate at a certain level for a 10-year period and the idea was to lower our competitive operating expenses to be able to track tenants and jobs to Lowell and it was very effective in filling that building. So, we brought 3,500 employees to that building in a 3-year period.

Alderman Shea asked how did the funding come about...through a change in the tax rate, you said, down in Lowell.

Mr. Kelly replied it's a tax incremental financing program. The City utilized its Section 108 funding through HUD to backstop the economic development program that Lowell had put in before we arrived with that project. They had an infrastructure in place for economic development that we stepped into.

Alderman Shea stated that was indigenous to Lowell.

Mr. Kelly replied it's not unique to Lowell, it happens in a lot of other cities. Lowell had that infrastructure in place, though.

Alderman Shea asked would that be more indigenous to Massachusetts than New Hampshire because of our differences in the fact that we don't have the same type of tax structure?

Mr. Kelly replied I'm sure it is different from New Hampshire's based upon the tax structure being different up here than it is in Lowell. It was a Massachusetts program...

Mayor Baines interjected but the tax increment financing is not unique to Massachusetts, it's used in many places.

Alderman Shea stated just to conclude I think Mr. Lopez hit upon and I don't think Jay Taylor came but are you prepared to spend money to examine the soils, the environmental study or are you dependent upon other sources like Manchester or the State to do that for you.

Mr. Kelly replied we would be spending money on our due diligence, I would ask to the extent that the City has studies that we can avail ourselves of that we would like to review that data, but we're not coming to the City saying I need to hire a firm to do a geotechnical analysis of the soils where you pay for it, we're not asking you for that.

Alderman Guinta stated I actually had two quick questions for Peter Ramsey. During your quick testimony, Peter, you identified...actually I have two quick questions...one of the issues relates to what you identified during your testimony. You had mentioned that in recent history several other entities have approached Riverfront Park Foundation, my first question is have you received anything in writing from any other entities regarding baseball

in that area and my second question would be how far are you in dealing with the developers relating to the outstanding debt Riverfront Park Foundation owes the City?

Mr. Ramsey replied in response to your first question, I don't believe we have anything in writing from any other group. We have been approached by another group and they have met with us and we basically told them the same thing we told everybody else we'd be interested in looking at them and talking to them about it and referring them to the City, so you would categorize that as informal conversations.

Alderman Guinta stated I think it's pretty informal.

Mr. Ramsey stated as I said before, I personally have met with six baseball owners over the past couple of years and this is the most serious group so far. In response to your second question, I guess that would be up to negotiations.

Alderman Guinta stated I don't know if that is too preliminary, but I guess my question is has Riverfront talked with the developers regarding how to resolve some of the outstanding debt that Riverfront has.

Mr. Ramsey replied not in substantial matters. No, I think it's too soon.

Mayor Baines stated that would be part of any on-going or final decisions; that would have to be encompassed within it though.

Alderman Gatsas stated a question on the environmental you stated that the next 60 days would be structured around doing the environmental testing.

Mr. Kelly stated among other things, yes.

Alderman Gatsas stated my concern right now is the environmental testing. So, Jay correct me...is Jay around?

Mayor Baines requested Mr. Taylor come forward.

Alderman Gatsas stated the environmental testing that they're doing, I assume, is going to follow somewhat close to the environmental testing package that the City had done which was about a \$2,500 cost that showed, I think, Mr. Frank Thomas identified some of the

improprieties in that soil testing, so if they do their environmental testing...there is a problem, the City is at risk.

Mr. Taylor replied that is correct.

Alderman Gatsas stated so we're giving a 60-day option that somebody is going to do an environmental study and at the end of that period there is some of the testimony that we've heard in the past that there is a contamination of soil there, that that testing could be done...the developer's say we're not interested in...the City could be looking at a \$5 million clean-up project. And, if it doesn't fall within EPA guidelines and we have to clean it it could fall at our own risk and at our own doorstep.

Mr. Taylor stated let me clarify what I said and why I brought the issue forward. This area has been discussed a number of times in connection with various kinds of projects and what I think I said earlier was that the only reason I brought this up is because I think it's incumbent upon City staff when there are issues involving a project that we bring them forward. It's a policy decision as to whether or not you want to proceed. What you should have, however, before you make that decision is as much information as you can collect on whatever the issue is. So, the fact that there is a potential environmental risk is what I was trying to point out that it is there, the City does own it if in fact it is there, in fact, we own it now to whatever extent it is there. And, if in fact there is a problem and it does get identified during this study that then would have to become part of the development process if it requires remediation and we don't know that it does require remediation, but if it does presumably then it would become part of the development process.

Alderman Gatsas stated so I guess your short answer is the developer could walk away and the City would be at risk.

Mr. Taylor replied the City would be responsible for whatever problem is discovered and to the extent that the State or Federal government requires remediation at that point then would be the City's responsibility, yes, absolutely.

Alderman Gatsas stated, Mayor, the next question I believe Mr. Jabjiniak stated that you had conversations with people at the State about the parking garage.

Mayor Baines replied I'll tell you how it happened...it was my accident because I was up at UNH for a Clean Cities announcement and I talked to a representative from DOT who said they were in the process of coming down to meet with us to discuss the Park & Ride garage and they were obviously aware that some discussions were going on in the community and if there was going to be obviously another possible location they wanted to come down and discuss that with us and asked them to expedite the meeting and we should be doing that shortly.

Alderman Gatsas stated they suggested there was an alternative location.

Mayor Baines stated Mr. MacKenzie has reviewed that issue and feels that there's some possibility of sitting down with the State and looking at alternative locations.

Alderman Gatsas stated I discussed an alternative location with Southern NH Planning probably eight months ago with the possibility of moving it down into the middle of the Millyard; that possibility doesn't exist because these are federal funds and they're talking about a rail delivery and that's why they're putting it to the base of the rail and what they're talking is because of the proximity to the bus depot...

Mayor Baines interjected we understand all that and again I don't think we're in the process of discussing, we haven't met with the State, but Mr. MacKenzie feels that within that location, that area there's a possibility of another location.

Alderman Gatsas stated my concern, your Honor, is that we give a 60-day development option to the developers and this encumbers the entire 6-acre lot where the parking garage would go, the possibility of a contamination being readily available on that land...I think the process that we heard when we were looking at 50% according to the study that was done that we all received and looked at. So, I would think that we, as a group, and I think that this is part of what we do on a continuous basis as we look different developments in the City on the year's project that these all have some bearing on the budget process of which we are in the middle of now which would be giving it legs for the following year because if we have to find \$5 million of clean-up that isn't readily available by either the State or the Feds, we have some major problems.

Mayor Baines stated I understand that we need to be aware of that but whenever you get into any kind of a redevelopment project any place in the City that you are going to go through something of that nature and find out whether remediation is necessary. The question is whether even if there is something there would remediation be necessary which is the unanswered question and obviously the Federal government is putting a lot of money into Brownsfield legislation, I believe there is some increases in the budget now to help cities deal with redevelopment in Brownsfield's area. So, we had a meeting with the EPA people last week, I believe, to talk about beginning the process of having Manchester apply for assistance with Brownsfield's, but Jay if you want to answer any more of that.

Mr. Taylor stated this is like any other development project and there is a cost of doing business and this is one of them. Whatever we do, if anything, down on that site at some point we're going to be faced with finding out what's there and I guess my sense is if we're going to be faced with some costs wouldn't it be better to do it in conjunction with a project than to just try and do it on our own. If I had my druthers I'd rather take it with a project where you have some ability to pay the costs as opposed to just being caught on your own to spend the money.

Alderman O'Neil stated I want to thank the team led by Drew Weber for their continued interest. When you and I met with Mr. Weber back in January, it might have been December, you were very clear that you would not support a taxpayer subsidized facility. To date, they haven't asked for that. They may ask the City to partner in some creative ways with them on it, so I encourage that we vote in favor of this. I would like to review a few items...when we talk about the environmental conditions the specific discussion we had had to do with the area south of Singer Park. To the best of my knowledge, they're not talking about that right now. And, what I recall is that on a couple of test borings there was some creosote or some other items at 25 feet below the ground. If I recall the last time that the Lowell folks were in they had actually showed very little construction in the ground and actually to build a stadium they'd actually be bringing in fill. So, I'm not sure to do the baseball stadium that the environmental issue is there. With regard to parking, I happen to...on the way home...a couple of weeks ago stop through Lowell because I had asked the question about the intermodel facility and my understanding was that Lowell is going

through a similar issue now and is actually constructing it. They got very creative in the City of Lowell and built the parking garage directly over the railroad tracks to address that issue. So, I think what this does is allow the City staff to work with the developers to come up with and as well with NHDOT to come up with a creative method of addressing the parking garage. Somebody asked a question about what have they been doing the 90 days...my understanding is they have put an offer on a team, they've done preliminary design and have some preliminary construction costs, they've brought in a hotel developer and I also understand that they have had discussions with restaurant people. So, I'd say they've done quite a bit the last 90 days. The final thing that I want to touch on and Shawn Smith was the one who wrote the letter to me, so I don't know if he wants to be the one that addresses it, but it has to do with, I think where Alderman Wihby was going with regard to signoff's and based on the last time they were here, I was still a little confused over the signoff issue and had asked Mr. Jabjiniak to contact them and I won't read the whole letter, I do have copies of it, but it's my understanding..."in order for major league affiliated baseball to enter your county, the team that desires to make the move must receive the granite approval of the following organizations: Boston Red Sox, Major League Baseball, Pawtucket Red Sox, International League and Minor League Baseball." Is that correct?

Mr. Smith replied correct.

Alderman O'Neil stated I still feel today as I did back in January when you and I first met with them that the Weber led group is still our best chance having Affiliated Minor League Baseball in the City of Manchester. And, I do have copies of that letter if people want it. So, I encourage my colleagues to support the request that the Lowell folks have made this evening and allow them to take the next step.

Mayor Baines asked do you want to put a motion on the floor so as least we could get that far down the line.

Alderman O'Neil moved to extend a 60-day exclusive authorize the City enter into a Non-Binding Development Option Agreement between the City of Manchester and Manchester Downtown Vision, LLC. Alderman Smith duly seconded the motion.

Alderman Thibault stated I think my question pertains to Jay specifically, which is why I asked that he remain. In talking about remediation, Jay, if in fact this thing does not go through for whatever reason once we start into this and we find remediation to be too expensive, can we just pull away from that and not develop that land or do we automatically have to clean it?

Mr. Taylor replied typically if a purchase and sale agreement between two entities...the City and...it's not unlike the situation we find ourselves at Bridge and Elm where there has been an identified problem which will require remediation in the event that the development takes place. There's an agreement between the buyer and the seller that in the event that the remediation costs are not borne by a federal program that MDC, the owner currently, has the option of either withdrawing from the project or reducing the purchase price further. But, there are options so that would be part of the negotiation process to work out how that would work between the City and the developer.

Alderman Thibault stated so if I understand you right when it comes back to this Board, we would have to make the decision as if it's going to cost too much to remediate that land or not.

Mr. Taylor replied yes.

Alderman Lopez stated I sort of agree with the 60 days but before I give my vote the last time there were people here from SMG they couldn't talk at that time could they talk at this time, are they serious about doing anything, Jeff.

Mr. Taylor replied you're talking about AEG.

Alderman Lopez stated the Monarchs.

Mayor Baines stated when I talked to Jeff he stands by his statement in the paper, they're just watching.

Alderman Lopez stated then they'll have to watch for the next 60 days then.

Alderman Smith stated I think it's a win situation for us because it brings in our tax base will grow, it brings in revenue, we'll have employment, the area will be beautified...I think it's a

win/win situation at this time and I don't think there's any reason why we can't go 60 more days.

Alderman Guinta stated I have a question for the development team. How much money did you allocate in your plan for remediation costs in your proposal?

Mr. Kelly replied none has been allocated until we know exactly what we're dealing with. You would have money that would be allocated to undertake what's called a 21E Study to characterize what's on site and the extend of that study will be predicated on what the most recent information that the City has as far as contamination, if it exists on that site.

Alderman Guinta asked how much is allocated for the 21E Study?

Mr. Kelly replied the 21E Studies typically run ten to fifteen thousand dollars depending upon the scope of the work.

Alderman Guinta stated if I recall correctly one of the presentations before this Board identified monies for either environmental issues or...Bill is shaking his head yes...what I'm getting at is the development team...at least my understanding is that there was an expectation of some remediation issues, therefore, had budgeted at least some monies for it and I want to be clear about that before we vote on this proposal.

Mr. Jabjiniak replied I think you're referring to a construction budget...the Federal government has funds available. We can certainly apply for and encourage those funds to arrive, but they haven't gotten that far yet and this is certainly the first step of them getting the control so they can get a handle on what the estimate is for that number and we can investigate the sources that are available for funding. So, I think that it's important to say there is monies available at the Federal level and some at the State level.

Alderman Guinta stated the money in the construction budget identified Federal money or was it developer's money. First of all, what was the number in the construction budget?

Mayor Baines stated are you talking about the ballpark or are you talking about Bridge and Elm.

Alderman Guinta replied I'm talking about the ballpark. The development team for the ballpark, the last time they were here, presented a slide show which included a budget and my understanding, if my memory serves, is that there were some figures in that budget process that identified remuneration money. My question is, is that true and how much?

Mr. Jabjiniak replied I am going to let Mr. Shaw Smith answer that directly because I don't recall the answer.

Mr. Smith stated in the numbers that we had received from Gilbane, the preliminary numbers, yes it was included and it was a figure of \$2 million.

Alderman Guinta asked am I to understand then that you are including in your budget at least \$2 million that you would be utilizing for remuneration.

Mr. Smith stated in the last presentation we had had we had taken into account in working with Gilbane's numbers and also working with HNTB from that strong step that we had taken that that was a comfortable number to look at at that point in time. I think what Mr. Kelly is alluding to is that when we actually get into this that number may change. We do have some \$2 million taken into account and we will see where that takes us, quite honestly.

Alderman Gatsas asked do I understand...Alderman O'Neil made a statement that you would not be looking at the site south of Singer field, so you would not be doing testing there at this time, is that what I understand?

Mr. Kelly replied I would not be prepared to address that yet until I've spoken to an environmental consultant and understood the scope of where these facilities will be located and see the impact on that particular area. I do not have enough education to be responsive to your question about where this contamination even is, so I would be relying upon a consultant to give me direction.

Alderman Gatsas stated I'm not concerned with where the contamination is, I'm concerned with whether you are looking at the property south of Singer Field in this environmental study or not.

Mr. Kelly replied and I explained I do not know.

Alderman O'Neil stated my understanding in what they have talked about so far has concentrated on properties north and east of current Singer Field. Now, whether or not the City wants them in their due diligence to take a look at the properties south of Singer Field I guess is something that has to be talked about... correct me if I'm wrong, I have not seen anything from you folks indicating anything south of Singer Field at this time.

Mayor Baines asked, Shawn, do you want to respond to this or somebody.

Mr. Kelly replied let me try and address this just from a development perspective. What you're trying to do is lay out the uses, the hotel use, the ballpark, your parking fields, your lanes of access and determine based upon those located what areas are impacted, what areas need to be investigated for potential environmental issues and until the architects have finalized that plan we've been moving around the hotel with respect to where the ballpark is situated...we don't have a definitive idea of which areas we need to impact through any remediation study.

Alderman Shea stated I'd like Frank Thomas to come forward, please. Frank, have you done any exploration in terms of the area that they're now questioning? I know that at one time the City was going to put some type of holding tanks in and around that general vicinity and because of the environmental problem connected to the Merrimack River and that wasn't done, but if you recall there were discussions. Now, have you done any preliminary studies regarding the soil north of where Singer Park is right now?

Mr. Thomas replied no we haven't. What you're referring to is the CSO holding tank and they were proposed to go on Singer Field but they were just a preliminary layout. There has been no subsurface exploration done at all in that area.

Alderman Shea stated you've done a little bit south though that we've been discussing.

Mr. Thomas replied south in connection with the stage and the senior center that was being proposed down there.

Alderman Shea stated you found that there was sort of a problem that the City probably shouldn't get too involved with at the time because of the possible contamination there.

Mr. Thomas replied that whole area has been filled over the years. I think what the borings indicated that there's all kinds of debris in there. What Alderman O'Neil noted was that on top of the groundwater that's down approximately 25 feet there was some type of petroleum product along the lines of potentially creosote which kind of makes sense because that area was part of the rail facilities down there, so there could be some creosote. How bad that is, what kind of remediation may be required, it's tough to say.

Alderman Shea asked so in your professional judgment do you anticipate if that site were developed that there would be serious problems connected to the City's responsibility for cleaning that area up?

Mr. Thomas replied I really don't know how to respond to that, I think there would be the need for additional studies before a statement like that that I could respond to. Again, it doesn't appear that serious but there was only a couple of borings taken and nothing had been done north of Singer Field, so there will be (potentially)...

Alderman Shea asked what would be done now that wasn't done before in terms of finding out whether there's a serious environmental problem?

Mr. Thomas replied before we didn't answer the question a hundred percent, that would have been the next step to do the environmental studies to determine the exact scope of the problem and I think we're hearing that again tonight that if you're going to move forward somewhere along the lines you're going to have to do a complete study of the subsurface.

Alderman Shea stated one other point though, in other words, we're talking about the area north...the developer here wasn't in a position tonight to answer any questions south of Singer Park, we tried to get a senior center there and that was discouraged because of the environmental factors, but if you're going to put a large complex there wouldn't you involve the southern part of the area, I can't understand how they could just put a hotel and parking and a ballpark...

Mr. Thomas stated the preliminary plans that I've seen of this project are pretty much to the north of Singer Field right now.

Alderman Shea stated somehow or other something has to be done south because they're going to be using a parking area, but anyway maybe that's another question for another day, your Honor. Thank you.

Mayor Baines stated Alderman Wihby had a question...Frank, I'm sorry, I didn't want you to run away and then I'll go back...I know Alderman Guinta and Alderman Osborne want to speak as well.

Alderman Wihby stated, Frank, I don't know if you're the right person to answer this but as far as the environmental problem goes we go out, we do the study, it's found that there's something there, the developer can just walk away and the City's libel that's what I've heard so far, right. Now, we're going to be libel no matter what goes there eventually anyway if we're going to do development there we're going to have to clean it up, but is there a chance at that point that a developer says to us well we'll continue but you're going to have to pick up the \$2 million and we're going to take it from there and we're going to do our thing, but only after you do the \$2 million, so it's going to cost us \$2 million or is it at that point their responsibility too or is that part of the negotiation of the price or how does that work?

Mayor Baines replied I really don't think that would be a Frank question, I think that would be part of the negotiations that would take place...that's the answer to the question.

Mr. Jabjiniak replied part of negotiations, correct.

Alderman Wihby stated so at that point we would know the cost that it's going to take.

Mr. Jabjiniak stated the site assessment should have an estimate of what the costs could be and I think that's part of what gets negotiated with the actual land itself.

Alderman Guinta asked can you tell us when the architect's plan will be completed? You identified that you couldn't answer some questions regarding the testing area until their plan is completed. I wonder if it makes sense to have the completion of that plan presented to us prior to us extending a 60-day extension, so we can be sure. So, I guess my question is at what point will the final architect's plan be ready for us to view.

Mayor Baines interjected just a clarification from Alderman O'Neil now.

Alderman O'Neil stated I don't know how they can pay an architect to do a final design until they know that they can do a project there. It's almost like wasting money. You can't pay for final design until you know you have a project.

Alderman Guinta stated that's true but I don't want to potentially waste \$5 million in remediation cleanup unless we know that we have some sort of...

Alderman O'Neil stated these numbers, your Honor, that we're throwing out...we have no idea because two testing borings were done, we have no idea what the condition of that site is.

Mayor Baines stated you could go all the way from no remediation required at all...I don't know where \$5 million came from.

Alderman Guinta asked if the developer could answer my initial question which is when the architect's plan would be ready.

Mr. Kelly replied I would have to get back to you on that, Mr. Alderman, I don't have a specific date for when that is going to be. We anticipate it to be shortly because the clock's ticking...if the Aldermen grant us the 60-day period.

Mayor Baines recessed the meeting in order to call the Committee on Finance to order.

Mayor Baines called the meeting back to order calling upon Alderman Osborne.

Alderman Osborne asked can one project go without the other? Can a hotel be put up without the stadium or vice versa?

Mr. Kelly replied no. The intent is to have both of the uses compliment one another and to be done together.

Alderman Osborne stated so if one fails the other one won't, it's all of none.

Mr. Kelly replied that's correct.

Alderman DeVries in reference to the results of the environmental study that will be done during due diligence asked is there something in this contract that you're asking us to enter

into today that would indicate that we will retain the results should the development not go forward?

Mr. Kelly replied no there is nothing in the agreement that stipulates that.

Alderman DeVries asked could that be added to the agreement, is there a problem with adding that so the City would retain a copy of the reports that you're receiving?

Mr. Kelly replied that is really a question for the environmental consultant. Typically, they have ownership of those and then if we're paying for it we would have it as well. I can't give you an answer on that until I have their input.

Alderman Smith moved the question. Alderman Lopez duly seconded the motion. The motion carried with Alderman Gatsas duly recorded in opposition.

A roll call vote was taken on the motion to extend a 60-day exclusive and authorize the City enter into a Non-Bind Development Option Agreement between the City and Manchester Downtown Vision, LLC. Aldermen Gatsas and Shea voted nay. Aldermen Guinta, Sysyn, Osborne, Pinard, O'Neil, Lopez, DeVries, Garrity, Smith, Thibault and Forest voted yea. The motion carried.

Mayor Baines stated as I've said on other occasions, let's roll up our sleeves and get to work.

This being a special meeting of the Board, no further business was presented and on motion of Alderman Thibault, duly seconded by Alderman DeVries, it was voted to adjourn.

A True Record. Attest.

City Clerk